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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001121

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [TW](#) [CH](#)
SUBJECT: DPP HEAVYWEIGHT FRANK HSIEH: OPPOSITION MUST CHECK
MA'S EMBRACE OF CHINA

Classified By: the Director for reasons 1.4(b/d)

¶1. (C) Summary. The opposition needed to play an oversight role in Taiwan politics, given KMT dominance of the executive and legislative branches, Democratic Progressive Party (DPP) former Presidential candidate Frank Hsieh told the Director during their introductory meeting. In particular, the DPP had to slow down what Hsieh called President Ma's over-eager push for improved cross-Straits ties. While Chen Shui-bian likely broke the law, Hsieh said, there were serious procedural irregularities with the former President's trial. Hsieh projected that Taiwan politics -- both between and within the DPP and KMT parties -- would remain contentious. End Summary.

DPP Needs to Put Brakes on Ma's Rush towards China

¶2. (C) With control of the executive and legislative branches of Taiwan's government, the ruling KMT party had too much power and needed to be monitored, opposition Democratic Progressive Party (DPP) former Presidential candidate and Premier Frank Hsieh told the Director during their September 15 introductory meeting. The DPP could play this role, Hsieh suggested, as could the "Shadow Government," an NGO he created after his unsuccessful run for the Presidency in ¶2008. The Shadow Government's primary outlet for exercising this supervisory role was a website, Hsieh explained, which served as a platform for "alternative" news sources from around Taiwan. After one year in operation, the site now received an average of more than 30,000 page hits per day, he boasted.

¶3. (C) The opposition's primary concern with the Ma administration was its cross-Straits policy, Hsieh said. Simply put, President Ma was moving much too quickly in his efforts to improve relations with China. Hsieh agreed with the Director's suggestion that closer Taiwan-China ties were inevitable and in many ways positive, but said that there was no need to actively encourage the trend. The danger, he argued, was that Taiwan would at some point find itself too far down a one-way path toward reunification to resist PRC coercion. This was a particularly serious concern, Hsieh said, because President Ma was not strengthening Taiwan's ties with the United States to provide a counterweight to Chinese influence.

¶4. (C) In too many cases, Hsieh suggested, President Ma thought first of how Beijing would react to a decision, rather than what was good for Taiwan or was in the interests of U.S.-Taiwan relations. Taiwan's increasing dependence on mainland tourists, trade and investment just gave China leverage to coerce the island, Hsieh warned. Already, Hsieh argued, Ma was overly solicitous of Beijing's views, noting his reticence to invite the Dalai Lama to visit, his initial unwillingness to accept U.S. assistance in the wake of Typhoon Morakot, and what Hsieh said was a furtive trip to Hong Kong by newly-appointed Premier Wu Den-yih's to seek

China's blessing. All of this suggested that, while President Ma insisted that he did not want reunification, he would be unable to resist Beijing's urgings to do so in the future.

Chen Sui-bian Guilty, but Trial Flawed

15. (C) Hsieh expressed concerns about DPP Chair Tsai Ing-wen's ability to run the party. Tsai was too scholarly, he said, and lacked the ability to connect with many DPP supporters. Her job was complicated by Taiwan business people's unwillingness to openly contribute to the party, for fear that doing so would make doing business in China more difficult. Of course, Hsieh admitted, former President Chen Shui-bian's legal problems also hurt the party. Ordinary people did not look beyond the headlines reporting Chen's arrest and conviction and were prepared to blame the DPP for Chen's personal failings.

16. (C) Chen had "engaged in things he should not have done," Hsieh admitted, noting that he was not particularly close to the former President despite having served as his Premier for 11 months. While some people were concerned about the length of Chen's sentence, more disturbing were procedural irregularities such as the mid-trial decision to change the presiding judge. In any event, Hsieh said, it was probable that the life sentence Chen received for his corruption, fraud and money laundering convictions would be reduced on appeal. In hindsight, the increasingly "deep green" views (i.e., assertively pro-independence) Chen adopted during his presidency likely reflected his understanding that he would

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be prosecuted after he left office. By building up a base among the DPP's hard core, Hsieh suggested, Chen was ensuring that he retained some political influence after leaving office.

KMT and DPP Approval Levels Roughly Even

17. (C) The recent modest improvement in President Ma's polling numbers was not the result of his recent Cabinet reshuffle, Hsieh said. Ma's 13% approval rating in a poll taken immediately after Typhoon Morakot reflected popular dissatisfaction with the government's handling of recovery efforts and was bound to return to a more realistic level. Ultimately, he said, Ma's approval rating could rise to about 40%, about even with the DPP's numbers. Although it was far too early to assess how the 2012 presidential and legislative elections might go, there was reason for optimism in the nearer term. Unfortunately, most of the local elections scheduled for this December were in KMT-dominated areas, Hsieh noted. Thus, despite the gains in DPP popularity, of the 19 County Magistrate seats being contested, the DPP might hope to win at most one more seat beyond the 5 it now held.

18. (C) Hsieh projected continued tumult in Taiwan's political system. While he had said publicly that he had no interest in pursuing public office, there were a number of candidates vying for leadership of the DPP. Tsai Ing-wen and Kaohsiung Mayor Chen Chu each could make a case for becoming leader of the "next generation" of party leaders. In the KMT, Ma's appointment of Wu Den-yih and Eric Chu as Premier and Vice Premier, respectively, would help the President's image problem in the short run. Longer-term, however, each posed problems for Ma and the party. Wu was smart and capable, Hsieh admitted, but had ambitions that were not identical to the President's. Eric Chu was likewise an attractive politician, but the widespread perception of him as Ma's anointed successor meant that some within the KMT would be rooting for the former Taoyuan County Magistrate to fail.

19. (C) Comment: Hsieh and former DPP Premier Su Tseng-chang (see septel) both clearly intend to remain active in the

run-up to the 2012 Presidential elections. Especially as neither had anything good to say about the leadership of the current DPP Chairperson, Tsai Ing-wen, this suggests trouble ahead for the DPP, as the old guards appear unable to let go and discontent simmers among the deep green base of the party.

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